DOCUMENT RESUME

ED 302 607 UD 026 559

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TITLE	Testimony on the Economic and Social Impact of Immigrants in New York City by Elizabeth Bogen, New York City Department of City Planning, Office of Immigrant Affairs, before the Joint Economic Committee. Congress of the United States.
INSTITUTION	New York City Dept. of City Planning, N.Y.
PUB DATE	29 May 86
NOTE	17p.
PUB TYPE	Statistical Data (110) -- Reports - Descriptive (141) -- Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Census Figures; *Demography; Employment Level; *Foreign Nationals; Futures (of Society); *Immigrants; Labor Force Nonparticipants; *Population Trends; Racial Differences; Regional Characteristics; Sex Differences; *Social Characteristics; Social Services; Taxes; Undocumented Immigrants; Welfare Services
IDENTIFIERS	Immigration; *New York (New York)

ABSTRACT

New York City (New York) has the longest continuous immigration history of any American city, and the largest and most varied foreign-born population, according to testimony presented in 1986 to the Joint Economic Committee of the United States Congress. Using data from the 1980 census, information in the following areas is provided: (1) demographics; (2) employment; (3) income and tax contributions; (4) use of publicly funded social programs; (5) undocumented aliens; and (6) implications for the future. Two tables illustrate some of the data. (BJV)

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TESTIMONY
ON THE ECONOMIC AND SOCIAL IMPACT
OF IMMIGRANTS IN NEW YORK CITY

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NEW YORK CITY DEPARTMENT OF CITY PLANNING
OFFICE OF IMMIGRANT AFFAIRS

BEFORE THE JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

MAY 29, 1986

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> New York is so enormous that even large population changes affect the proportions slowly...The kind of change that transforms a city the size of Newark is for New York only a neighborhood shift.

So wrote Nathan Glazer and Daniel Patrick Moynihan in their 1963 book, Beyond the Melting Pot. Their observation pertains even now, 23 years and a new immigration law later. It goes a long way toward explaining the ease with which New York City is absorbing its latest wave of immigrants, an ease that distinguishes New York from some of the cities of the South and West.

New York City has the longest continuous immigration history of any American city, and the largest and most varied foreign-born population. New York welcomes its reputation as an immigrant city, as it welcomes the foreign-born who come to it as residents, diplomats, students, exchange visitors, temporary workers, tourists and investors. Whether temporary or permanent, the foreign-born make enormous contributions to the city, both economic and cultural. The city's immigrants have revitalized declining neighborhoods by renting or buying homes and apartments, sending their children to local schools, and buying small businesses from retiring shop owners whose children lack interest in running the family business.

New York's immigrants have not overwhelmed the city's social institutions nor its physical infrastructure. The city sustained a net loss of 800,000 residents between 1970 and 1980; the loss would have been greater without the immigrant influx.

Neighborhoods profit from the newcomers' social and economic presence, the public transportation system profits from their ridership, and the schools can fill seats that otherwise would be empty. Furthermore, the ethnic communities act as a magnet for culture and dollars from abroad. Immigrants do pose some problems to the city, but the balance is unquestionably favorable.

Still, there may be a limit to the city's absorptive capacity, and to the country's absorptive capacity. Consequently, the Mayor of the City of New York has supported the basic concepts of the proposed Simpson and Rodino legislation, i.e., sanctions against employers who hire unauthorized aliens, and a limited amnesty. The Mayor believes that the country has a right and a need to control immigration. But he also believes that government must deal with present-day reality, and protect the well-being of all current residents, be they citizens, legal aliens, or undocumented aliens. It is to the disadvantage of all who live in New York if some city residents are uneducated, inadequately protected from crime and workplace violations, or untreated for illness. To protect aliens' access to vital public services, the Mayor on October 15, 1985, distributed to all mayoral agency heads a memorandum instructing them not to report undocumented aliens to the INS if the aliens' only "crime" was unauthorized residence. Aliens were to receive all services to which they were entitled by law.

In other recent efforts to extend and improve city services to all the foreign-born, the Mayor in 1984 established my office,

the Office of Immigrant Affairs at the Department of City Planning, to coordinate agency services, analyze immigrant service needs, and develop policy. In 1985, the Police Department established a New Immigrants Unit to improve its relations with the city's ethnic communities. In addition, there are four ethnic advisors in the Mayor's Office, and a manager charged with monitoring immigrant issues in most city agencies.

DEMOGRAPHICS

In 1980, the U.S. Census Bureau counted 14 million foreign-born persons living in the United States, of which 1.7 million, or 11.9 per cent, were living in New York City--more than in any other city. Almost 20 per cent of census-recorded immigrants who arrived in the United States between 1965 and 1980 were living in the greater New York area. Only the Los Angeles area had as many recent, census-recorded immigrants. If all undocumented aliens had been counted, the figures for both cities would have been much higher.

New York City has received about 75,000 legal immigrants a year in recent years, according to data from the U.S. Immigration and Naturalization Service. The city's net increase in foreign-born residents was about 24,000 a year between 1970 and 1980, census data show; the foreign-born population rose from just over 1.4 million, or 17.9 per cent of the city's total population, to just under 1.7 million, or 23.6 per cent. Again, these figures exclude an unknown number of undocumented and otherwise uncounted aliens.

Every immigrant city is unique in its particular mixture of

ethnic origins. In 1980, New York had more foreign-born Italians than any other single foreign-born group. Italy as a country of origin was followed by the Dominican Republic, China (including Hong Kong and Taiwan), Jamaica, USSR, Poland, Germany, Haiti, Cuba and Ireland, in that order. The foreign-born population included many who had arrived before the Hart-Celler Act. The rank order for immigrants who arrived most recently, i.e., between 1975 and 1980, was significantly different: the Dominican Republic was first, followed by the USSR, China, Jamaica, Guyana, Haiti, Korea, Colombia, Trinidad-Tobago and India. With the exception of the Soviet refugees, the newest immigrants were not European but Caribbean, Asian and Latin American. A preliminary analysis of 1984 INS admission tapes confirms these immigration trends.

By racial breakdown, the 1975-1980 cohort was almost evenly divided among hispanics, whites, blacks and Asians, in that order. At this point, in 1986, the proportion of white arrivals has dropped with the decrease in Soviet refugee admissions.

New York's foreign-born population clusters in two age groups: working age people and the elderly. Immigrants tend to migrate during their prime working years, which accounts for the cluster in that age group, and a large remnant of the century's early immigrants remains living in New York, which accounts for the cluster of elderly. Such factors pushed the median age of the city's foreign-born to 42.6 in 1980, compared to 29.4 for the native-born. The median age of the most recent arrivals (1975-80) was 26.5.

Immigrants were more likely than the native-born to live in family households, and their families were more likely to contain a married couple. Of the households headed by immigrants, more than a quarter of the members were U.S.-born, most of them children. Average family size was 3.34 for immigrant-headed families and 3.19 for native-headed families.

On the whole, 1980 census data showed, New York's immigrants had less education than the city's native-born residents, but the gap appeared to be narrowing. The most recent arrivals were more likely to be high school graduates than were earlier immigrant groups, but not as likely as the native-born. Interestingly, however, the most recent immigrants had a higher proportion of college graduates than did the native-born.

EMPLOYMENT

City Planning analysis of 1980 census data shows that labor force participation rates and unemployment rates were virtually identical for the foreign- and native-born in their prime working years, 25 to 44. Significant differences emerged only when the data were analyzed by race. Foreign-born blacks and foreign-born hispanics were more likely to be labor force participants than were native-born blacks and native-born hispanics. By far the lowest labor force participation rate obtained among native-born hispanic women. There was no evidence to suggest that foreign-born workers were responsible for the lower participation rates of native-born minorities, but their performance calls attention to the serious employment problems of the American underclass.

LABOR FORCE PARTICIPATION (BY PERCENT) OF PERSONS 25 TO 44 YEARS OF AGE IN NEW YORK CITY, 1980

	TOTAL POPULATION	NATIVE-BORN	FOREIGN-BORN BY PERIOD OF IMMIGRATION			
			Total	Pre-1965	1965-1974	1975-1980
MALES	88.1	87.1	90.5	91.7	92.2	86.1
WHITE, Non-hispanic	91.8	91.9	91.5	93.0	94.1	84.2
BLACK, Non-hispanic	81.4	78.7	88.7	89.5	89.9	84.4
HISPANIC	84.8	81.3	90.0	90.5	91.1	87.2
ASIAN, Non-hispanic	91.4	88.4	91.7	90.5	94.8	88.3
FEMALES	61.5	60.9	61.9	59.6	65.8	60.1
WHITE, Non-hispanic	65.5	68.1	53.7	54.2	53.0	54.1
BLACK, Non-hispanic	65.6	61.5	78.7	76.5	80.4	74.7
HISPANIC	46.5	39.5	57.9	59.1	57.6	57.5
ASIAN, Non-hispanic	69.4	70.1	69.4	75.5	75.7	59.7

UNEMPLOYMENT RATE (BY PERCENT)
FOR PERSONS 25 TO 44 YEARS OF AGE IN NEW YORK CITY, 1980

	TOTAL POPULATION	NATIVE-BORN	FOREIGN-BORN
MALES	6.8	7.0	6.2
WHITE, Non-hispanic	4.6	4.6	4.7
BLACK, Non-hispanic	11.3	12.2	9.0
HISPANIC	8.9	9.9	7.6
ASIAN, Non-hispanic	3.4	4.7	3.3
FEMALES	6.9	6.6	7.6
WHITE, Non-hispanic	5.0	4.8	6.6
BLACK, Non-hispanic	8.4	8.7	7.5
HISPANIC	10.7	10.8	10.7
ASIAN, Non-hispanic	4.0	5.9	3.8

Source: 1980 U.S. Census Public Use Microdata File

Prepared by: NYC Department of City Planning

Researchers at Columbia University, City College and New York University have given considerable attention to employment patterns among the city's foreign-born, and to the thorny questions of wage depression and job displacement. In general, their conclusions seem to be that if competition between foreign-born and native-born workers exists, it is neither pervasive nor direct nor readily measured. For example, one can argue that the prevalence of Chinese and other low-price ethnic restaurants cuts into the market for fast food outlets, thereby hurting employment prospects for

the native-born black and hispanic teenagers who often work for McDonald's and its like.

New York's researchers contend that the city's labor market is segmented, and that immigrants tend to be employed in the secondary market, i.e., not in direct competition with majority enterprise. For example, Chinese and Dominican garment workers are likely to be employed in the industry's spot market more than they're likely to work for long-established firms with fixed annual production schedules. Furthermore, certain industries in New York seem to be marked out as immigrant industries, for example, the garment trades, the restaurant business, private household work, and nursing home attendant work. There are also high concentrations of immigrants in the city's hotel and motel business, miscellanous manufacturing, hospitals and construction.

NEW YORK CITY INDUSTRIES WITH CONCENTRATIONS OF NEW IMMIGRANTS, 1980

In Rank Order by Number of Post-1965 Immigrants Employed

INDUSTRY	TOTAL EMPLOYED	POST-1965 IMMIGRANTS EMPLOYED	POST-1965s AS PERCENT OF TOTAL EMPLOYED
TOTAL FOR ALL INDUSTRIES	2,898,880	492,760	17.0
Apparel manufacturing	118,540	42,760	36.2
Hospitals	185,820	41,660	22.4
Eating/drinking establishments	110,640	36,820	33.3
Banking	125,320	21,540	17.2
Construction	77,960	15,120	19.3
Real estate/building management	71,660	11,540	16.2
Private households	30,620	11,520	37.5
Nursing facilities	30,960	9,820	31.7
Miscellaneous manufacturing	32,080	9,520	29.7
Grocery stores	47,040	8,920	19.0
Insurance	76,980	8,720	11.3
Motels/hotels	25,420	7,860	30.9
Printing/publishing	74,280	7,760	10.3
Total, 13 industries	1,008,320	233,560	23.2
All Other Industries	1,890,560	259,200	13.7

Source: 1980 U.S. Census Public Use Microdata File
Prepared by: NYC Department of City Planning

INCOME AND TAX CONTRIBUTIONS

Data from the 1980 census show that the median income of foreign-headed households was about $1,500 less than that of native-headed households. For foreign-headed households, median income was $12,783; for native-headed households, $14,325.

As part of an effort to evaluate immigrants' fiscal impact on New York City, City Planning analysts estimated immigrants' contribution in New York City income and sales taxes. We were aware that immigrants, like most New Yorkers, pay far larger sums to the state and federal governments, but we were interested

in local impact. Through a process that amounted to preparing tax returns for all households that answered the 1980 census, we estimated that immigrant-headed households contributed 24 per cent of the city's income taxes in 1979 (the year for which income questions were asked) and about 27 per cent of the city's sales taxes. Immigrant-headed households accounted for 28 per cent of the city's total households in 1980. That immigrant-headed households probably paid less than their 28 per cent "proportionate share" of the city's income taxes is a function of their lower than average incomes and the nature of the progressive tax structure. The estimates for city income tax are probably generalizable to state and federal income taxes as well.

USE OF PUBLICLY FUNDED SOCIAL PROGRAMS

It is impossible to talk with certainty about immigrants' use of publicly funded social programs in New York City because agencies do not computerize their data on clients' country of birth, and their caseloads are too large for manual analysis. It is possible, however, to make informed estimates based on census data, occasional surveys, and field experience.

City Planning has looked at the areas of education, health care and public assistance to estimate the use that immigrants make of these predominant social programs. To evaluate the impact of their service use, their estimated share of service costs was weighed against their share of the city's households, i.e., 28 per cent.

Like researchers in other jurisdictions, City Planning

analysts found that immigrants had more dollar impact on education than on any other social program, but no more than their 28 per cent proportional share. If U.S.-born and foreign-born children of immigrants are both counted as "immigrant" children, then these children made up 27.3 per cent of the city's public school population in 1980. More than half of these children were born in the United States. The children of post-1965 immigrants made up three-quarters of the group.

Education is a comparatively expensive service for New York City since most children go to school and since the city pays about half the total cost, unlike public assistance, for example, for which the city's share is generally no more than one-fourth. Nevertheless, the presence of immigrant children in the public schools has not been viewed as a financial or social burden, and most New Yorkers seem to believe that dollars spent on education are a sound financial and social investment.

Our analysis of 1980 census data shows that foreign-born heads of household were just over half as likely to make use of public assistance as were native-born household heads. The percentages (for 1979) were 7.7 for foreign-born heads of household and 13.3 for native-born heads of household. Although immigrants were 28 per cent of the city's householders, they received only an estimated 13.6 per cent of all public assistance income, far below their proportional share. These data are consistent with occasional survey data and informed opinion from the city's Human Resources Administration, which administers several large income transfer programs.

Health care costs are the most difficult to estimate since there are no health items on the census questionnaire. Our cautious estimate is that in this area, immigrants represent just over their proportional share of the city's Medicaid and unreimbursed municipal hospital costs. Elderly immigrants are probably over-represented among Medicaid users because a large cohort remains of the century's earliest immigrants. And the foreign-born are likely overrepresented among patients who lack health insurance or Medicaid. A 1983 survey of 631 uninsured in-patients showed that 219 or about one-third were foreign-born. Of the foreign-born, 81 were documented aliens or naturalized citizens, 10 held valid temporary visas, 79 were "definitely" undocumented, 10 were "probably" undocumented, and 39 were "possibly" undocumented. Of the definitely and probably undocumented, half were maternity cases and many of the rest also were short-term patients. The city's Health and Hospitals Corporation estimates that it forgoes about $21 million a year for care of its uninsured, undocumented in-patients, an additional $4 million a year for uninsured patients with valid temporary visas, and an unknown sum for uninsured, undocumented out-patients, whose contacts with the hospital system are often too brief to permit verification of their status.

New York City has no wish to deny medical care to anyone who needs it, but cost is a problem. In an effort to extend Medicaid eligibility to more of the alien population, and thereby to cut health costs, the city has joined a suit challenging the restrictiveness of the current Medicaid regulations. The primary

argument is that the Medicaid statute makes no mention of alienage. A decision is expected soon.

Data from the New York City Police Department and from the state prison system suggest that foreign-born persons are underrepresented among arrestees and incarcerated convicts. It would be reasonable to assume, therefore, that immigrants are less costly to the criminal justice system than the native-born. Neither the police nor the prison system verifies alien status or birthplace, however, so the exact figures have to be taken with a grain of salt. But even assuming some underreporting, immigrants appear to be committing--or getting arrested for--proportionately fewer crimes than the native-born.

UNDOCUMENTED ALIENS

By definition, there are no hard data on undocumented aliens, but we have tried to sketch a profile based on the experience of immigration workers and researchers.

The Census Bureau demographer Jeffrey Passel estimates that about 200,000 undocumented aliens were included in the 1980 census figures for New York City. At City Planning we estimate that an additional 200,000 to 500,000 may have gone uncounted.

The characteristics of New York City's undocumented aliens seem to be markedly different from those of the South and West. Most of them become undocumented by overstaying valid tourist or student visas, not by crossing the border secretly. Most enter through Kennedy Airport, though some enter also at the Canadian and Mexican borders, or on the Florida coast. Most are Caribbean, not Central American, but no one ethnicity predominates. Passel's

research suggests that New York's undocumented tend to be longer-term residents than the undocumented of California, Texas and New Mexico. They do not commute daily or seasonally; they take jobs with longer tenure, and they attempt to set down roots. Many have applied for resident visas and are waiting illegally in New York instead of legally at home.

We believe that our undocumented tend to be the brothers, sisters, uncles and cousins of legal resident aliens, living in the same households, often working the same jobs, especially at the lower end of the wage scale. There are probably more singles among them than married couples. Census interviewers may have counted more of the couples than singles since entire households are harder to conceal than single members who don't want to be listed in the household.

It is our impression that none of these undocumented aliens make much use of publicly funded social programs, except that the couples send their children to school, a fact for which we are grateful. We believe that the public assistance use rate among the undocumented is extremely low, lower than it is even among legal immigrants, and we believe that undocumented aliens avail themselves only very reluctantly of public health services to which they are entitled by law. We believe that they are rarely involved in crime. They do not pose grievous problems to the City of New York.

That is not to say that they pose no problems. It is a problem when large numbers of city residents are cut off from the political and institutional life of the city. It is a problem when they do not avail themselves of services that are necessary

to protect their well-being and the well-being of all city residents. It is a problem when they work for minimal wages, in substandard working conditions. It is a problem when a federal law is so widely evaded. It is a problem when so many people want to live in the United States.

For all these reasons combined, the Mayor of the City of New York has supported an immigration bill that would pair employer sanctions with a limited amnesty, has committed the city not to report undocumented aliens simply for seeking public services, and has opposed issuance of a "sanctuary" declaration that might further erode the country's ability to control its immigration. On the one hand, the country must seek ways to limit future immigration; on the other hand, for entirely practical reasons if not humanitarian ones, it must protect the health and welfare of everyone who lives here.

IMPLICATIONS FOR THE FUTURE

New York City seems well able to absorb immigrants at the rate at which they are now entering the city. There seems to be room for them in the job market, in the institutional structure and in the infrastructure.

As the city's population ages, working-age immigrants are providing critical support for the Social Security system, as they are for small business ownership and neighborhood preservation. As the city evolves into primarily a service economy, it will be important to watch for match or mismatch between immigrants and the job market. We hope that immigrants continue to adapt themselves, as they have done until now, to the needs of the

market without hardship to themselves or to native-born Americans.

The presence of large numbers of new immigrants in the city requires some accommodation from the human service system, in terms of language services, culture-appropriate services, and availability of medical care to those who cannot pay. A new social service need has developed with the increased complexity of the immigration law: low-cost paralegals are needed, either inside or outside of government, to assist immigrants in their efforts to reunite their families and to change or legalize their own status. Today's immigration law is no easier to negotiate without expert help than today's tax law.

Although immigrants are not high users of publicly funded social programs, New York City would require considerable federal assistance if new legislation were to grant amnesty to large numbers of undocumented aliens.